

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

15 DECEMBER 2020

### REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

#### COSY CORNER

#### 1. Purpose of report

- 1.1 The purpose of this report is to update Cabinet on recent developments in relation to the proposed development of a Maritime Centre on Cosy Corner, Porthcawl, to outline a series of recommendations in relation to taking forward a preferred option for the site and to seek authority for BCBC to submit a funding proposal to Visit Wales.

#### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

#### 3. Background

- 3.1 The Maritime Centre project was developed and was being taken forward by Porthcawl Harbourside Community Interest Company (CIC), which later became Credu Charity Ltd. The project was supported with funding through the Tourism Attractor Destination (TAD) Programme, which is led by Visit Wales. BCBC also secured resources through this programme for the delivery of projects such as the Rest Bay Watersports Centre and the Porthcawl Harbour enhancement facility.
- 3.2 BCBC has worked closely with Credu Charity Ltd for many years, through a number of Council departments to support them to further develop and implement their project. This was a substantial property development proposal by Credu Charity Ltd on Council owned land and officers undertook significant due diligence to ensure lease arrangements were in place to control delivery and ownership of the site. This has ensured that the Council has been able to regain control of the site due to the ongoing circumstances. Prior to the agreement for lease being entered into a full risk

assessment was undertaken and reported to Cabinet, which included an assessment of the business case and the funding requirements.

- 3.3 Credu Charity Ltd were granted a 3 year lease on part of the site on 16<sup>th</sup> November 2017 to enable them to set up portacabin showers and toilets, as well as storage shipping containers for displaced groups. On 14<sup>th</sup> November 2019 Credu Charity Ltd were granted a license to install hoardings and set up a temporary compound. The Council entered into an agreement for lease on 7<sup>th</sup> November 2019 to provide Credu Charity Ltd with certainty that they could take entry onto the site to carry out the full construction works but only once a number of conditions had been met, including funding and planning. These conditions were never met and the agreement was subsequently terminated and the Council took possession of the site on 9<sup>th</sup> November 2020.
- 3.4 On the 1<sup>st</sup> October 2020 BCBC were made aware that Credu Charity Ltd had filed notice of intention to appoint John Deal Cullen and Rachel Lai of Menzies LLP as administrators of the company. This action was agreed at a meeting of the Directors of Credu Charity Ltd on the 21<sup>st</sup> September 2020. Credu has now moved from being in administration to being in liquidation on 19<sup>th</sup> November 2020, the liquidator has disclaimed any interest in the Cosy Corner site.
- 3.5 On 2<sup>nd</sup> October 2020 BCBC received formal notification from Welsh Government that the Welsh Ministers gave Credu Charity Ltd notice on the 18<sup>th</sup> August 2020 of their intention to withdraw further ERDF funding towards the Maritime Centre and to recover the ERDF funding they had already paid to Credu.
- 3.6 As a result of this, BCBC terminated the agreement for lease relating to the Maritime Centre at the Cosy Corner site. This was because Credu Charity Ltd were unable to satisfy conditions relating to that agreement for lease within an agreed timeframe.

### **3. Current situation/proposal**

- 4.1 Andrew Scott, Credu's contractor, left site in February 2020 citing non-payment as the reason for doing so. Since this time no work has taken place on Cosy Corner and today it stands as a part completed development site surrounding by hoarding. The site has partially laid foundations and a range of materials left on it. Their removal is being considered at this time and potential implications are being reviewed.
- 4.2 Since serving notice to terminate the agreement for lease and resuming control of the site it has become clear that the site cannot remain in its current condition for any length of time and that significant resources and timely action is required. However, as the proposed Maritime Centre was being taken forward by Credu Charity Ltd, BCBC does not have funding set aside for the remediation of the site and its return to a safe and useable condition.
- 4.3 Therefore officers have met with Visit Wales to determine if resources may be available through the TAD programme. Visit Wales have confirmed that as BCBC is already a partner in the TAD programme an opportunity exists to put forward a proposal to potentially access this TAD funding. It is understood that possible funding available is significantly less than that needed were BCBC minded to take forward a development of the scale of the Maritime Centre. It is also understood that any funding within the TAD programme must be secured, spent and claimed within a

timeframe far shorter than that needed to deliver a project the size of the Maritime Centre.

4.4 Therefore, officers have started the process of considering options for the future of Cosy Corner with a focus on what may realistically be achieved with possible funding and the time available.

4.5 The preferred approach at this time, based on information available, is a two stage process. Stage 1 will take place in the short to medium term and will involve officers submitting proposals to Visit Wales in an effort to secure funding to undertake improvements to part of Cosy Corner. Stage 2 will take place in the medium to longer term and will relate to the part of Cosy Corner not impacted by such proposed improvements. Stage 2 will involve securing a development partner and working with that partner to implement further improvements to Cosy Corner. While working with a commercial partner to enhance the site, the land would remain primarily public realm with substantial community use as well as commercial opportunities. This public realm would provide a mainly open space break between nearby developed zones

4.6 In reviewing options for both Stage 1 and Stage 2, the following principles are proposed to be used as a set of guiding principles for the way forward, based on the current understanding of the situation:

- Desire to ensure funding allocated for Cosy Corner is retained for Cosy Corner. There is potentially funding still available through the TAD programme for Cosy Corner
- Adopting a partnership approach with key stakeholders
- Taking action in a suitable timeframe
- Minimising the period of time that Cosy Corner remains in its current condition
- Minimising the on-going maintenance requirements and costs for BCBC
- Enhancing the tourism offer of Porthcawl

4.7 The current possibilities for Stage 1 may include:

- Improvements for use by community organisations, in particular the Sea Cadets
- Improvements to the local economy and tourism offer, in particular small retail / start-up spaces
- Improvements for Marina users, in particular storage and changing facilities
- Improvements for use by the wider community, in particular a Changing Places facility, children's free play area, public seating, public realm/landscaping and an outdoor event space.

These options are based on information known at this time and are therefore subject to change and by no means definitive.

## **5. Effect upon policy framework and procedure rules**

5.1 There is no direct impact on the Council's policy framework and procedure rules.

## **6. Equality Impact Assessment**

6.1 An initial assessment has identified that there are no equality issues related to this report.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment Template has been completed and a summary of the implications from the assessment relating to the five ways of working is below:

- Long-term: By regaining control of Cosy Corner and seeking to secure funds for its improvement, BCBC is seeking to improve the area beyond its current condition for use and access in the long-term.
- Prevention: Seeking resources to undertake improvements to Cosy Corner will ensure that the condition of the site does not deteriorate further.
- Integration: The proposal will achieve this way of working by recognising the approaches that are proposed for support are those that have been identified by internal and external stakeholders and the proposal itself will integrate with other existing activity in the area.
- Collaboration: Future action on Cosy Corner as outlined above will take place in collaboration with partners through the Harbour Operational Group and the Harbour Board.
- Involvement: Proposals relating to the future of Cosy Corner will be developed and delivered in close partnership with key stakeholders. Discussions and development with key BCBC officers will be undertaken.

## **8. Financial implications**

8.1 It is currently understood that there are not any financial implications for BCBC as a result of Visit Wales withdrawing their funding offer from Credu.

8.2 The health and safety investigation undertaken has highlighted a number of short term actions for BCBC to undertake, such as signage and security. Costs are currently being investigated for this work. Once these costs are known consideration will need to be given to funding options in order for appropriate action to be taken.

8.2 Visit Wales have indicated that whilst funding may be available for BCBC to bid for, match funding will be required. Initial discussions have suggested that potentially £1m grant may be available, which based on the intervention rate of the TAD programme of 65% grant requiring 35% match funding, would result in total scheme funding of £1,538,461. To secure all of this, match funding of £538,461 will be required. If the desire is to secure less than the potential £1m grant possibly available then a proportionally lower value of match funding would be required. At this time it is proposed that BCBC would make up this value based on land value match, which can be a maximum of 10% of a project cost in line with the terms and conditions of the TAD programme, and direct funding match. In 2015 the site was valued at £350,000, which means a 10% value of project costs for land value of £153,846 would be possible, although an updated valuation may be required. This would then require BCBC to identify a further £384,615. At this time it is considered that this value would

be provided from Communities Directorate public realm fund although officers will continue to seek alternative sources of funding.

## **9. Recommendation(s)**

9.1 Cabinet is recommended to:-

- note recent action by officers in relation to Cosy Corner.
- approve the principles for considering future action on Cosy Corner as set out in section 4.6.
- authorise the Corporate Director, Communities, to develop and submit a proposal to Visit Wales, in agreement with the Section 151 Officer and the Chief Officer, Legal, Regulatory and HR, to access possible resources for improvements to Cosy Corner in line with the financial information in section 8.2.
- Receive a further report relating to the detail of any funding offer from Visit Wales if successful and, should it be required, recommend to Council an update to the Capital programme.

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**30 November 2020**

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### **Background documents:**

None